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¶1. (SBU) Political/Economic officer and Political/Economic assistant traveled to Kurgan September 9-10 to assess the political climate ahead of the October 11 municipal elections. They met with Rotary Club members, an opposition city дума deputy, a Soldiers' Mothers activist, a Golos representative, and the campaign director for commercially sponsored candidates, and toured the Women's Crisis Center and a drug/alcoholism rehabilitation center. Kurgan has the most seats up for election of any region in our consular district - some 3,525, including Kurgan city mayor - so will be the most interesting to watch this election cycle. Political apathy, however, is palpable.

¶2. (U) Economically, Kurgan - which is a perennial net recipient of revenues from the federal government - may be faring better than its neighbors which have been net donors. The absence of a vibrant industrial sector may be helping Kurgan through the crisis - with most employment in the agricultural and government sectors, Kurgan does not face the vicious cycle of reduced employment and personal spending leading to further cuts in production and retail. In April, Governor Bogomolov told the media that Kurgan lacks energy supplies and an adequate sewer system, and these factors inhibit the possibility of economic growth. We certainly saw no signs of new construction or businesses, and one of our contacts described the oblast as "twenty years behind the rest of Russia." Kurgan may feel more of an impact in 2010 as reduced tax revenues mean decreased returns from the central government to the regions.

¶3. (U) The sphere of social services is a bright light in the gray landscape. The idea of a crisis center to assist battered women first appeared in 2004 as a result of Kurgan's sister-city relationship with Appleton, Wisconsin. After visiting Appleton's family crisis hotline in 2004, Alla Vladimirova set up a telephone hotline with financial assistance and advice from Appleton. Today the Crisis Center offers a 24 hour hotline, training for city and oblast professionals, counseling by psychologists and psychiatrists, and a residence center (with 165 beds) for children of families in difficult situations. The Center is financed totally by the oblast and works closely with the Social Services Department and militia. Their future plans include opening a shelter for women, establishment of a website and on-line consultations, and a training program for volunteers.

¶4. (U) In 2002, a Kurgan city дума deputy visited Appleton and a New Life drug rehab center. On her return she established a New Life drug and alcohol treatment center in Kurgan, partly as a way to help her son, who is a drug addict. New Life works closely with the government's HIV/AIDS center. Over 3,900 people are officially registered as drug addicts in the oblast and have no future as they cannot be hired by state owned enterprise or educational institutions, and cannot obtain a

driver's license. The Center engages in active outreach to inform the community of the dangers of drug and alcohol use in an effort to prevent addictions. Volunteers of all ages help, including recovering addicts and specialists from the HIV/AIDS Center. They lecture at schools, universities, summer camps, and stage public events in towns to get the message out. If found by the militia, drug addicts are arrested and sent for treatment or to prison, depending on the quantity of drugs in their possession.

15. (U) According to our contacts, the HIV infection rate in Kurgan oblast is 265 per 100,000, and said to be 80 per cent higher than the average for Russia. Sexual transmission is thought to be the main means of transmission. Those suffering from HIV/AIDS who officially register (there are 345 officially registered) receive monthly drug therapy free of charge, at a cost of RR 20,000-30,000. So far the economic crisis has not led to cuts in this program, although prison hospitals cannot afford to stock adequate supplies of medicine. HIV/AIDS tests are obligatory for teachers, doctors, military conscripts, and patients scheduled for surgery. Legal migrants are required to test negative for HIV to enter Russia, but illegal migration is a factor in the spread of HIV/AIDS in the oblast. The rate of tuberculosis infection is said to be 300 per 100,000, the highest in Russia.

16. (SBU) The number one topic of discussion was the Kurgan city mayoral election of October 11. Incumbent Kurgan mayor Yelchaninov, in power for 21 years, bowed out of this year's election and speculation over why he is quitting politics and who his successor will be ran rampant. Our contacts speculated that Yelchaninov is out of favor with United Russia (UR) because his family business (managed by his son) has conflicts of interest with municipal management. The family business owns

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the majority of gas stations in the city and has monopoly control over gas pricing; it also owns shares in the municipal transport company, and a construction company that has won most major contracts for municipal housing construction. Other contacts believe the long-running conflict on budget issues between oblast governor Bogomolov and Yelchaninov is the reason.

Kurgan city contributes about 50 percent of the oblast tax income and Yelchaninov has struggled with oblast officials over the years to get higher rates of reimbursement to the city. Bogomolov, who is seen as influential in UR, might have been angling for Yelchaninov's dismissal. Yelchaninov supporters and detractors characterize him as an experienced manager and savvy politician who has lost support in recent years. Kurgan has the city manager form of local government, so the new mayor will be chosen from among the city дума deputies. UR, Liberal Democrats, and Just Russia are fielding candidates for the дума seats.

17. (U) The upcoming appointment of a new governor caused less excitement. The term of Governor Oleg Alekseyevich Bogomolov (59), first elected in 1996, expires in December 2009. Candidates suggested to President Medvedev by the Kurgan branch of United Russia are incumbent governor Bogomolov, and State Дума deputies Igor Barinov and Vyacheslav Timchenko. When asked to comment why Igor Barinov, the chief of the Urals interregional coordination council of United Russia, was put on the list, political expert Mikhail Korabelnikov said the move was meant to show that Barinov is a promising political figure although probably still too weak to get the post. Timchenko heads the committee on natural resources and utilization and is said to have ownership interests in an oil company in Tyumen. Some observers say Timchenko would not accept the post even if offered, because he has no financial interests to further in Kurgan. Speculation is that since Bogomolov was one of the first to support extension of the presidential term of office, he may have the edge over Barinov.

18. (SBU) Conclusion: Despite the pre-election rumor mill and speculation, there are few outward signs of an impending election. What few campaign banners we saw were for United

Russia as a movement, and not for individual candidates. Since the mayor is selected by the city duma, the population seems to be feeling isolated from the elections. The opposition is represented by independent candidates who have not formed a coalition and it is almost certain that UR will win by a large majority in Kurgan and smaller towns where the administrative resource advantage will benefit UR to an even greater degree. Although the population might be tired of the current administration, many feel stability is better than change. Once again, this time in the sphere of social services, we have seen what it is possible to accomplish working with instead of against the authorities.

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